



Administrative Report

H.9., File # 22-4072

Meeting Date: 5/17/2022

To: MAYOR AND CITY COUNCIL

From: GREG KAPOVICH, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

TITLE

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2205-029, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, LEASING CERTAIN PROPERTY TO MONICA QUINTERO, AN INDIVIDUAL

APPROVE THE LEASE WITH MONICA QUINTERO, AN INDIVIDUAL, FOR A MONTHLY MINIMUM RENT OF \$2,306.25 AND A TERM OF MAY 17, 2022 THROUGH MAY 16, 2027

EXECUTIVE SUMMARY

In March 2012, the City purchased the Pier Plaza leasehold and began the process of direct leasing to various tenants. Pier Plaza is comprised of several buildings totaling approximately 75,000 square feet of office and retail uses. The proposed office lease with Monica Quintero, an individual, is for the space at 107 W. Torrance Boulevard., Suite 202. The lease area totals approximately 1,025 square feet.

The proposed lease is for 60 months with the City retaining the option to terminate the lease with a twelve (12) month prior written notice. Monthly rental revenue to the City's Harbor Uplands Fund will be \$2,306.25, or approximately \$2.25 per square foot, with a 3% increase on the anniversary date each year thereafter.

BACKGROUND

The Pier Plaza leasehold is comprised of buildings 103 to 131 West Torrance Boulevard (on the top level of the Pier Parking Structure) and totals approximately 75,000 square feet of space. The property is comprised almost entirely of office uses; with the lone exception being a restaurant use of less than 4,000 square feet. The proposed lease with Monica Quintero, an individual ("Tenant") is for the office space at 107. W. Torrance Boulevard, Suite 202 ("Premises"). The lease area totals approximately 1,025 square feet.

Monica Quintero is the founder of the women's clothing company Pink Poison, which also operates under the name of Demi Loon. The company's office and manufacturing have been based in Los Angeles for approximately 10 years. The company's designs are known for their unique and edgy gothic clothing line which can be purchased at various retailers or directly through the company's website.

The proposed lease carries a sixty (60) month term of \$2,306.25, or approximately \$2.25 per square

foot, which is consistent with other similar office leases in the waterfront and broader market. The lease contains a provision that escalates the rent at 3% per year for the remaining term of the lease. The City retains the right to terminate the lease with a twelve-month written notice. The lease is personally guaranteed by Monica Quintero and requires a security deposit of \$2,500 that will be kept on file.

As the Landlord, the City will initially make standard tenant improvements to the space comprised of painting and new carpeting for a total cost not to exceed \$4,000.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office on this report. The City Attorney's Office has approved the document as to form.

FISCAL IMPACT

Lease revenue from the property will accrue to the City's Harbor Uplands Fund. The proposed lease will result in a monthly rent of \$2,306.25 with an annual total of \$27,675. Annual increases of 3% over the five-year term will result in revenue to the Uplands Fund of approximately \$147,000.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

Resolution No. CC-2205-029

Lease between the City of Redondo Beach and Monica Quintero, an individual